

Salida School District Number R-32-J

Salida, Colorado

Financial Statements

June 30, 2018



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

Salida School District Number R-32-J

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Independent Auditors' Report

Board of Education
Salida School District Number R-32-J
Salida, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Salida School District Number R-32-J, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, in the year ended June 30, 2018, Salida School District Number R-32-J adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Salida School District Number R-32-J's basic financial statements. The supplementary information and the auditors integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, on our consideration of the Salida School District Number R-32-J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Salida School District Number R-32-J's internal control over financial reporting and compliance.

Hick & Company, PC

Greenwood Village, Colorado
December 3, 2018



Salida School District R-32-J

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2018

As management of Salida School District R-32-J (the "District") we offer readers of the District's basic financial statements this narrative and analysis of the financial activities of District for the year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

For the year ended June 30, 2018 the General Fund's fund balance increased by \$449,414.

The General Fund operations of the District are funded primarily by tax revenue received under the State School Finance Act (the Act) in the amount of \$10,885,892 and total revenue for the year was \$12,532,006.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The governmental activities of the District include instruction and support services of the District.

The statement of activities presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of yearend).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

For the year ended June 30, 2018 the District's net position is (\$6,002,330). The negative unrestricted net position of (\$33,045,812) is due primarily to the adoption of GASB Statement No. 68, resulting from a net pension liability of \$47,806,882, representing the District's proportionate share of PERA's net pension liability. The District's net investment in capital assets is \$24,159,079. In addition, \$284,080 is restricted for Colorado Preschool and Salida Head Start; \$1,805,710 is restricted for debt service; \$412,613 is restricted for Capital Renewal; and \$382,000 is restricted for emergencies under TABOR.

Statement of Net Position

	GOVERNMENTAL ACTIVITIES	
	2016-2017	2017-2018
ASSETS		
Current Assets	\$ 8,043,269	\$ 9,407,382
Capital Assets, Net of Accumulated Depreciation	<u>47,623,476</u>	<u>47,141,228</u>
TOTAL ASSETS	<u>55,666,745</u>	<u>56,548,610</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>17,450,969</u>	<u>14,008,563</u>
LIABILITIES		
Current Liabilities	1,138,635	1,513,856
Noncurrent Liabilities	<u>69,529,768</u>	<u>72,399,662</u>
TOTAL LIABILITIES	<u>70,668,403</u>	<u>73,913,518</u>
DEFERRED INFLOWS OF RESOURCES	<u>893,607</u>	<u>2,645,985</u>
NET POSITION		
Net Investment in Capital Assets	23,412,533	24,159,079
Restricted	2,735,021	2,884,403
Unrestricted	<u>-24,591,850</u>	<u>-33,045,812</u>
TOTAL NET POSITION	<u>\$ 1,555,704</u>	<u>\$ -6,002,330</u>

Governmental activities decreased the District's net position by \$7,558,034, primarily due to PERA pension related items.

	GOVERNMENTAL ACTIVITIES	
	2016-2017	2017-2018
Program revenues:		
Charges for service	\$ 166,838	\$ 226,901
Operating grants & contributions	2,305,724	2,279,794
Capital Grants & contributions	16,650	470,390
General revenues:		
Property Taxes	6,879,858	7,147,669
Specific ownership taxes	846,551	952,252
State equalization	5,055,058	5,340,155
Other revenues	325,541	652,319
Earnings on Investments	35,150	70,817
TOTAL REVENUES	<u>15,631,370</u>	<u>17,140,297</u>
Expenses:		
Instruction	12,392,552	12,380,447
Supporting Services	7,807,704	9,734,725
Food Service	649,411	687,728
Interest and Fiscal Charges	880,044	830,291
TOTAL EXPENSES	<u>21,729,711</u>	<u>23,633,191</u>
CHANGE IN NET POSITION	(6,098,341)	(6,492,894)
NET POSITION, Beginning	<u>7,654,045</u>	<u>490,564*</u>
NET POSITION, Ending	<u>\$ 1,555,704</u>	<u>\$ (6,002,330)</u>

*2017 Financial Statements have not been restated because prior information is unavailable (Footnote 11).

Financial Analysis of the District's Funds

Governmental funds. The focus of District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As of the end of the current fiscal year the District's governmental funds reported a combined ending fund balance of \$7,704,326: General Fund \$4,736,692; Bond Redemption Fund \$1,796,303; and Other Governmental Funds \$1,171,331. This is an increase of \$941,837 from the previous fiscal year primarily from an increase in local and state revenues and a decrease in building expenditures.

General Fund Budgetary Highlights

General Fund revenues budgeted was \$12,180,299 and actual revenues were \$12,532,006. The District budgeted for General Fund expenditures of \$11,904,866, for the year ended June 30, 2018. Actual expenditures were \$11,015,422. The differences between the original and final budgets were to adjust for the changes in total instructional costs net of reserves and an increase to local revenues. The District ended the year with an increase in the fund balance of \$449,414.

Capital Assets

For the year ended June 30, 2018, the District's significant capital asset activity included building a playground, replacement of flooring and dishwasher at Salida Middle School and kitchen expansion at the Salida Early Childhood Center. Please see Note 5 in the financial statement for more information.

Long-Term Debt

As of June 30, 2018, the District had total long-term debt of \$23,501,090, a decrease of \$1,246,819 from the previous year. Please see Note 6 in the financial statement for more information.

Economic Factors and Next Year's Budget

The primary factor driving the budget for the District is student enrollment. This factor was considered in preparing the District's budget for fiscal year 2018-2019.

Requests for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:
Salida School District R-32-J, 349 East 9th Street, Salida, CO 81201.

Basic Financial Statements

Salida School District Number R-32-J
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Cash and Investments	\$ 8,217,792
Accounts Receivable	36,223
Taxes Receivable	657,474
Grants Receivable	304,432
Inventories	6,830
Property Held for Resale	184,631
Capital Assets, <i>Not Being Depreciated</i>	1,449,477
Capital Assets, <i>Net of Accumulated Depreciation</i>	45,691,751
Total Assets	56,548,610
Deferred Outflows of Resources	
Pensions, <i>Net of Accumulated Amortization</i>	13,956,953
OPEB, <i>Net of Accumulated Amortization</i>	51,610
Total Deferred Outflows of Resources	14,008,563
Liabilities	
Accounts Payable	243,307
Retainage Payable	34,409
Accrued Salaries and Benefits	1,097,711
Unearned Revenues	70,985
Accrued Interest Payable	67,444
Noncurrent Liabilities	
Due Within One Year	1,429,076
Due in More Than One Year	22,072,014
Net Pension Liability	47,806,882
Net OPEB Liability	1,091,690
Total Liabilities	73,913,518
Deferred Inflows of Resources	
Pensions, <i>Net of Accumulated Amortization</i>	2,611,565
OPEB, <i>Net of Accumulated Amortization</i>	34,420
Total Deferred Inflows of Resources	2,645,985
Net Position	
Net Investment in Capital Assets	24,159,079
Restricted for:	
Emergencies	382,000
Preschool	56,851
Capital Renewal	412,613
Debt Service	1,805,710
Head Start	227,229
Unrestricted	(33,045,812)
Total Net Position	\$ (6,002,330)

See Notes to the Financial Statements.

Salida School District Number R-32-J
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government					
<i>Governmental Activities</i>					
Instruction	\$ 12,380,447	\$ 30,500	\$ 1,169,136	\$ -	\$ (11,180,811)
Supporting Services	9,734,725	32,387	885,107	470,390	(8,346,841)
Food Service	687,728	164,014	225,551	-	(298,163)
Interest and Fiscal Charges	830,291	-	-	-	(830,291)
Total Governmental Activities	\$ <u>23,633,191</u>	\$ <u>226,901</u>	\$ <u>2,279,794</u>	\$ <u>470,390</u>	<u>(20,656,106)</u>
General Revenues					
Property Taxes					7,147,669
Specific Ownership Taxes					952,252
State Equalization					5,340,155
Grants and Contributions not Restricted to Specific Programs					414,318
Investment Income					70,817
Other					<u>238,001</u>
Total General Revenues					<u>14,163,212</u>
Change in Net Position					(6,492,894)
Net Position, Beginning of year					<u>490,564</u>
Net Position, End of year					\$ <u>(6,002,330)</u>

Salida School District Number R-32-J
 Balance Sheet
 Governmental Funds
 June 30, 2018

	General	Bond Redemption	Building	Nonmajor Governmental Funds	Total
Assets					
Cash and Investments	\$ 5,164,117	\$ 1,701,690	\$ 112,177	\$ 1,239,808	\$ 8,217,792
Accounts Receivable	36,205	-	-	18	36,223
Taxes Receivable	486,010	171,464	-	-	657,474
Grants Receivable	106,638	-	37,509	160,285	304,432
Interfund Receivable	85,164	-	-	-	85,164
Inventories	-	-	-	6,830	6,830
Property Held for Resale	184,631	-	-	-	184,631
 Total Assets	 <u>\$ 6,062,765</u>	 <u>\$ 1,873,154</u>	 <u>\$ 149,686</u>	 <u>\$ 1,406,941</u>	 <u>\$ 9,492,546</u>
Liabilities					
Accounts Payable	\$ 33,336	\$ -	\$ 155,516	\$ 54,455	\$ 243,307
Retainage Payable	-	-	28,358	6,051	34,409
Accrued Salaries and Benefits	1,043,859	-	-	53,852	1,097,711
Interfund Payables	-	-	-	85,164	85,164
Unearned Revenues	69,085	-	-	1,900	70,985
 Total Liabilities	 <u>1,146,280</u>	 <u>-</u>	 <u>183,874</u>	 <u>201,422</u>	 <u>1,531,576</u>
Deferred Inflows of Resources					
Property Taxes	179,793	76,851	-	-	256,644
Fund Balances					
Nonspendable:					
Inventories	-	-	-	6,830	6,830
Property Held for Resale	184,631	-	-	-	184,631
Restricted for:					
Emergencies	382,000	-	-	-	382,000
Preschool	56,851	-	-	-	56,851
Capital Renewal	-	-	-	412,613	412,613
Debt Service	-	1,796,303	-	-	1,796,303
Head Start	-	-	-	227,229	227,229
Assigned to:					
Grant Programs	-	-	-	45,960	45,960
Food Service	-	-	-	124,716	124,716
Capital Projects	-	-	-	388,171	388,171
Unrestricted, Unassigned	4,113,210	-	(34,188)	-	4,079,022
 Total Fund Balances	 <u>4,736,692</u>	 <u>1,796,303</u>	 <u>(34,188)</u>	 <u>1,205,519</u>	 <u>7,704,326</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 6,062,765</u>	 <u>\$ 1,873,154</u>	 <u>\$ 149,686</u>	 <u>\$ 1,406,941</u>	 <u>\$ 9,492,546</u>

Salida School District Number R-32-J
 Reconciliation of the Balance Sheet of Governmental
 Funds to the Statement of Net Position
 June 30, 2018

**Amounts Reported for Governmental Activities in the
 Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 7,704,326
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	47,141,228
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.	256,644
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Accrued interest payable	(67,444)
Bonds payable	(22,982,149)
Accrued compensated absences	(298,538)
Severance	(220,403)
Net pension liability	(47,806,882)
Pension-related deferred outflows of resources	13,956,953
Pension-related deferred inflows of resources	(2,611,565)
Net OPEB liability	(1,091,690)
OPEB-related deferred outflows of resources	51,610
OPEB-related deferred inflows of resources	<u>(34,420)</u>
Total Net Position of Governmental Activities	\$ <u>(6,002,330)</u>

Salida School District Number R-32-J
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General	Bond Redemption	Building	Nonmajor Governmental Funds	Total
Revenues					
Local Sources	\$ 6,571,461	\$ 2,111,955	\$ 21	\$ 349,067	\$ 9,032,504
County Sources	201,733	-	-	-	201,733
State Sources	5,610,589	-	470,390	160,680	6,241,659
Federal Sources	148,223	-	-	1,473,072	1,621,295
Total Revenues	<u>12,532,006</u>	<u>2,111,955</u>	<u>470,411</u>	<u>1,982,819</u>	<u>17,097,191</u>
Expenditures					
Current					
Instruction	6,599,294	-	-	639,018	7,238,312
Supporting Services	4,416,128	-	-	1,001,239	5,417,367
Food Service	-	-	-	485,200	485,200
Capital Outlay	-	-	625,908	325,533	951,441
Debt Service					
Principal	-	1,254,100	-	-	1,254,100
Interest and Fiscal Charges	-	832,467	-	-	832,467
Total Expenditures	<u>11,015,422</u>	<u>2,086,567</u>	<u>625,908</u>	<u>2,450,990</u>	<u>16,178,887</u>
Excess of Revenues Over (Under) Expenditures	<u>1,516,584</u>	<u>25,388</u>	<u>(155,497)</u>	<u>(468,171)</u>	<u>918,304</u>
Other Financing Sources (Uses)					
Loan Proceeds	23,533	-	-	-	23,533
Transfers In	-	-	120,000	970,703	1,090,703
Transfers Out	(1,090,703)	-	-	-	(1,090,703)
Total Other Financing Sources (Uses)	<u>(1,067,170)</u>	<u>-</u>	<u>120,000</u>	<u>970,703</u>	<u>23,533</u>
Net Change in Fund Balance	449,414	25,388	(35,497)	502,532	941,837
Fund Balances, Beginning of year	<u>4,287,278</u>	<u>1,770,915</u>	<u>1,309</u>	<u>702,987</u>	<u>6,762,489</u>
Fund Balances, End of year	<u>\$ 4,736,692</u>	<u>\$ 1,796,303</u>	<u>\$ (34,188)</u>	<u>\$ 1,205,519</u>	<u>\$ 7,704,326</u>

Salida School District Number R-32-J
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2018

**Amounts Reported for Governmental Activities in the
 Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ 941,837
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>	
Depreciation expense	(1,275,695)
Capital outlay	793,447
<p>Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes not available as current financial resources.</p>	
	43,106
<p>The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>	
	1,254,100
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items:</p>	
Debt Issued	(23,533)
Amortization of bond premiums	25,184
Amortization of loss on debt refunding	(26,957)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:</p>	
Accrued interest payable	3,949
Accrued compensated absences	(88,573)
Severance	79,641
Net pension liability	(3,025,023)
Pension-related deferred outflows of resources	(3,467,059)
Pension-related deferred inflows of resources	(1,717,958)
Net OPEB liability	16,754
OPEB-related deferred outflows of resources	8,306
OPEB-related deferred inflows of resources	(34,420)
	(6,492,894)
Change in Net Position of Governmental Activities	\$ <u>(6,492,894)</u>

Salida School District Number R-32-J
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2018

	<u>Pupil Activity</u>
Assets	
Cash and Investments	\$ <u>295,131</u>
Liabilities	
Held for Student Scholarships	\$ 57,032
Due to Student Groups	<u>238,099</u>
 Total Liabilities	 \$ <u>295,131</u>

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Salida School District Number R-32-J (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the District.

Based upon the application of this criteria, no additional organizations are included in the District's reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the District's government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *Bond Redemption Fund* accounts for property taxes restricted for payment of the District's general obligation debt.

The *Building Fund* accounts for debt proceeds and grants used for the acquisition and construction of capital assets.

Additionally, the District reports the following fund type:

The *Agency Fund* is used to account for resources received to support each school's student activities and scholarship fundraising activities. The District holds all resources in a purely custodial capacity.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The agency fund financial statements are reported using the accrual basis of accounting.

When both restricted and unrestricted resources are available for a specific use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories - Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are valued using the first-in, first-out method, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government.

Capital Assets - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	7 - 50 years
Land Improvements	15 - 25 years
Equipment	5 - 20 years

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. Salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Unearned Revenues - Unearned revenues include grants received before eligibility requirements established by the provider have been met.

Compensated Absences - District employees are entitled to certain compensated absences based on their length of employment. An employee that leaves the District with a minimum of six years of service will be reimbursed for any unused sick leave at rates based on length of employment. An employee with a minimum of one year of service will be reimbursed for any unused vacation time at their current pay rate.

These compensated absences are recognized as expenditures when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Severance - The District has agreed to pay certain severance benefits to employees. The benefits are paid over several years and are recorded as a liability in the government-wide financial statements. The amount of severance pay varies based on length of service. The severance benefit program is closed and benefit payments will cease in 2021.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts, and refunding losses are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Pensions - The School participates in the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees.

Postemployment Benefits Other Than Pensions (OPEB) - The School participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees.

Deferred Inflows of Resources - Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Board of Education is authorized to establish a fund balance commitment through passage of a resolution, and may assign fund balances to a specific purpose through an informal action.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

The District has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the District uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for these risks of loss.

Note 2: Cash and Investments

At June 30, 2018, the District had the following cash and investments:

Cash	\$	125
Deposits		1,992,947
Investments		<u>6,519,851</u>
Total	\$	<u>8,512,923</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$	8,217,792
Fiduciary Fund Cash and Investments		<u>295,131</u>
Total	\$	<u>8,512,923</u>

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2018, the District had bank deposits of \$1,713,184 collateralized with securities held by the financial institutions' agents but not in the District's name.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pools - At June 30, 2018, the District had \$141,690 and \$6,378,161 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 3: Property Held for Resale

The District purchased land and is constructing multi-family housing in connection with the District's building trades program. The carrying value of the property at June 30, 2018, was \$184,631, which approximates fair value.

Note 4: Interfund Balances and Transactions

Interfund Balances

At June 30, 2018, the General Fund temporarily subsidized the negative cash balance of the Grants Fund in the amount of \$85,164.

Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
Head Start	General Fund	\$ 160,710
Food Service	General Fund	190,000
Building Fund	General Fund	120,000
Capital Reserve	General Fund	<u>619,993</u>
Total		<u>\$ 1,090,703</u>

The General Fund provided a portion of its property taxes to the Head Start Fund to improve salaries and benefits for those educational programs. Annually, the General Fund subsidizes the operations of the Food Service Fund and finances capital purchases through transfers to the Capital Reserve Fund. In addition, the General Fund financed capital purchases in the Building Fund.

Salida School District Number R-32-J
Notes to Financial Statements
June 30, 2018

Note 5: Capital Assets

Activity for capital assets during the year ended June 30, 2018, was as follows.

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land and Sites	\$ 776,030	\$ -	\$ -	\$ 776,030
Construction in Progress	-	793,447	(120,000)	673,447
Total Capital Assets, Not Being Depreciated	776,030	793,447	(120,000)	1,449,477
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	54,475,720	-	-	54,475,720
Land Improvements	362,453	120,000	-	482,453
Transportation Equipment	1,144,171	-	-	1,144,171
Other Equipment	975,094	-	-	975,094
Total Capital Assets, Being Depreciated	56,957,438	120,000	-	57,077,438
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(8,984,140)	(1,130,539)	-	(10,114,679)
Land Improvements	(118,438)	(37,351)	-	(155,789)
Transportation Equipment	(419,216)	(53,736)	-	(472,952)
Other Equipment	(588,198)	(54,069)	-	(642,267)
Total Accumulated Depreciation	(10,109,992)	(1,275,695)	-	(11,385,687)
Total Capital Assets, Being Depreciated, net	(10,109,992)	(1,275,695)	-	(11,385,687)
Governmental Activities Capital Assets, net	\$ (10,109,992)	\$ (1,275,695)	\$ -	\$ (11,385,687)

Depreciation expense was charged to programs of the District as follows:

Instruction	\$ 5,172
Supporting Services	1,268,242
Food Services	2,281
Total	\$ 1,275,695

Salida School District Number R-32-J
Notes to Financial Statements
June 30, 2018

Note 6: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2018.

	Balance 6/30/17	Additions	Payments	Balance 6/30/18	Due Within One Year
Governmental Activities					
2012 GO Bonds	\$ 9,590,000	\$ -	\$ (120,000)	\$ 9,470,000	\$ 495,000
2012 Bond Premium	304,254	-	(20,284)	283,970	-
2010 GO Debt	13,963,746	-	(759,100)	13,204,646	790,086
2004 GO Bonds	375,000	-	(375,000)	-	-
2004 Bond Premium	4,900	-	(4,900)	-	-
Note Payable	-	23,533	-	23,533	23,533
Compensated Absences	209,965	88,573	-	298,538	54,304
Severance	300,044	-	(79,641)	220,403	66,153
Total	\$ 24,747,909	\$ 112,106	\$ (1,358,925)	\$ 23,501,090	\$ 1,429,076

General Obligation Debt

In December 2012, the District issued \$9,590,000 General Obligation Bonds, Series 2012, to finance construction of a new elementary school. In addition, the District received grant funding of up to \$4,094,712 under the State of Colorado's Building Excellent Schools Today (BEST) program. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 4% per annum. Principal payments are due annually on December 1, from 2018 through 2033.

In December 2010, the State of Colorado issued Taxable Qualified School Construction Certificates of Participation, Series 2010D. A portion of the proceeds, in the amount of \$17,961,801, were provided to the District under site lease and sublease agreements to construct a new high school and renovate the existing middle school. In addition, the District was awarded grant funding of \$13,206,780 under the BEST program. Under the sublease agreement, the District is required to make semi-annual base rent payments to the State of Colorado, including interest accruing at 4.082% per annum, through December 1, 2030.

In September 2004, the District issued \$5,070,000 General Obligation Refunding Bonds to refund a portion of the 1998 General Obligation Bonds, which were issued to finance the construction of a new middle school. Interest payments were due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 3% to 4% per annum. Principal payments were due annually on December 1, through 2018. During the year ended June 30, 2018, the bonds were paid in full.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 6: Long-Term Debt (Continued)

General Obligation Debt (Continued)

Payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,285,086	\$ 787,198	\$ 2,072,284
2020	1,327,337	744,288	2,071,625
2021	1,370,905	698,548	2,069,453
2022	1,420,843	649,834	2,070,677
2023	1,472,207	599,290	2,071,497
2024 - 2028	8,160,628	2,171,807	10,332,435
2029 - 2033	7,032,640	658,172	7,690,812
2034	<u>605,000</u>	<u>12,100</u>	<u>617,100</u>
Total	<u>\$ 22,674,646</u>	<u>\$ 6,321,237</u>	<u>\$ 28,995,883</u>

Note Payable

In May, 2018, the District entered into a noninterest bearing loan agreement in an amount not to exceed \$278,500 to finance the construction of apartments. The loan matures on November 16, 2018.

Compensated Absences and Severance

Payments to maturity for the severance obligation are as follows:

<u>Year Ended June 30,</u>	
2019	\$ 66,153
2020	77,125
2021	<u>77,125</u>
Total	<u>\$ 220,403</u>

Compensated absences and severance are expected to be liquidated with revenues of the General Fund.

The District, in conjunction with other surrounding districts, created the Mountain Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2018, the District contributed \$98,040 to the BOCES. The BOCES financial statements can be obtained at their administrative office located at 1713 Mount Lincoln Drive West, Leadville, Colorado 80461.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 8: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the SDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over three years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary or the amount allowed by applicable federal regulations.

Retirees may elect to withdraw their contributions upon termination of employment, and may be eligible to receive a matching amount if five years of service credit is earned and certain other criteria is met. Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began employment before January 1, 2007, receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

Disability benefits are available for plan participants once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contributions - The District and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The District's contribution rate for calendar years 2018 and 2017 was 20.15% and 19.65% of covered salaries, respectively. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 9).

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

The District's contributions to the SDFT for the year ended June 30, 2018, were \$1,403,371, equal to the required contributions.

At June 30, 2018, the District reported a net pension liability of \$47,806,882, representing its proportionate share of the net pension liability of the SDTF. The net pension liability was measured at December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2017, relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.1478421045%, which was a decrease of 0.0025644881% from its proportion measured at December 31, 2016.

During the 2018 legislative session, the State Legislature passed Senate Bill (SB) 18-200 with the goal of eliminating the unfunded pension liability of the SDTF within the next 30 years. The significant provisions of the legislation include increased age and service requirements to receive full retirement benefits, highest average salary calculated over five years rather than three years, changes to includable employee salaries, increased contributions from employees and employers, and an annual direct distribution from the State of Colorado. The District's estimated net pension liability at June 30, 2018, had the provisions of SB 18-200 been effective was \$21,598,735.

For the year ended June 30, 2018, the District recognized pension expense of \$9,571,400. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 878,965	\$ -
Changes of assumptions and other inputs	12,206,872	77,464
Net difference between projected and actual earnings on plan investments	-	1,877,421
Changes in proportion	-	656,679
Contributions subsequent to the measurement date	871,117	-
Total	\$ 13,956,954	\$ 2,611,564

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

District contributions subsequent to the measurement date of \$871,117 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,

2019	\$ 7,165,213
2020	4,034,334
2021	(18,983)
2022	<u>(706,291)</u>
Total	<u>\$ 10,474,273</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2016, determined the total pension liability using the following actuarial assumptions and other inputs.

Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5% - 9.7%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate ¹	5.26%
Post-retirement benefit increases:	
Hired prior to 1/1/2007	2.0%
Hired after 12/31/2006	ad hoc

¹The discount rate reflected in the roll-forward calculation of the total pension liability to the measurement date was 4.78%.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table. The mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates. Healthy, post-retirement mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

On November 18, 2016, PERA's governing board adopted revised economic and demographic assumptions based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, which were effective on December 31, 2016. The significant changes affecting the plan included decreasing the investment rate of return assumption from 7.5% per year, compounded annually, net of investment expenses, to 7.25%, and updating mortality assumptions based on RP-2014 mortality tables.

The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The most recent analysis of the long-term expected rate of return was adopted by PERA's governing board on November 18, 2016, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	<u>100.00%</u>	

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 4.78%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at the rates specified in State statutes, which currently require annual increases, to a total of 20.15% of covered salaries for the year ended December 31, 2018. When the actuarially determined funding ratio reaches 103%, the employer contribution rate will decrease 0.5% each year, to a minimum of 10.15%.

Based on the assumptions described previously, the SDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate, defined as the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index, was used in the determination of the discount rate. The long-term expected rate of return of 7.25% on plan investments was applied to all periods through 2041, and the municipal bond index rate was applied to periods after 2041 to develop the discount rate. On the measurement date of December 31, 2017, the municipal bond index rate was 3.43%, resulting in a discount rate of 4.78%. The discount rate at the prior measurement date was 5.26%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.78%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower (3.78%) or one percentage point higher (5.78%) than the current rate, as follows:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$ 60,388,223	\$ 47,806,882	\$ 37,554,526

Pension Plan Fiduciary Net Position - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 9: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare.

An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

Contributions - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (See Note 8) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2018, was \$69,561, equal to the required amount.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a net OPEB liability of \$1,091,690, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2017.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2017, relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.0840019896%, which was a decrease of 0.0014908985% from its proportion measured at December 31, 2016.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2018, the District recognized OPEB expense of \$82,063. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,163	\$ -
Net difference between projected and actual earnings on plan investments	-	18,264
Changes in proportion	-	16,156
Contributions subsequent to the measurement date	46,447	-
Total	\$ 51,610	\$ 34,420

District contributions subsequent to the measurement date of \$46,447 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,

2019	\$ (6,726)
2020	(6,726)
2021	(6,726)
2022	(6,726)
2023	(2,160)
2024	(193)
Total	\$ (29,257)

Actuarial Assumptions - The actuarial valuation as of December 31, 2016, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
Medicare plans	5.0%
Medicare Part A premiums:	
3% for 2017, gradually rising to 4.25% in 2023	

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table. The mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates. Healthy, post-retirement mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Health care cost trend rates are based on published annual health care inflation surveys in conjunction with actual plan experience, building block models and heuristics developed by actuaries and administrators, and other projected trends.

The actuarial assumptions used in the December 31, 2016, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, and were adopted by PERA's governing board on November 18, 2016. In addition, certain actuarial assumptions pertaining to per capita health care costs and the related trends are analyzed by PERA's actuary as needed.

The long-term expected rate of return on the HCTF investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The most recent analysis of the long-term expected rate of return was adopted by PERA's governing board on November 18, 2016, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as presented previously in Note 8.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current contribution rate. Based on this assumption, the HCTF's fiduciary net position was projected to be available to make all projected future OPEB payments to current active and inactive employees. Therefore, the long-term expected rate of return on HCTF investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net OPEB liability if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 1,227,403	\$ 1,091,690	\$ 975,855

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the District's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 3% to 5%, as well as the District's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	\$ 1,061,653	\$ 1,091,690	\$ 1,127,867

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Salida School District Number R-32-J

Notes to Financial Statements

June 30, 2018

Note 10: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2018, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Capital Renewal Reserve

The District was awarded two Building Excellent Schools Today (BEST) grants from the State of Colorado to construct and improve school buildings. In accordance with the related State statutes, the District is required to establish a capital renewal reserve for the purpose of replacing major facility systems such as roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems. At a minimum, the District must contribute \$100 per pupil in the impacted facilities annually to the capital renewal reserve. At June 30, 2018, the reserve was reported as restricted fund balance in the Capital Reserve Fund, in the amount of \$412,613.

TABOR Amendment

In November 1992, voters passed an amendment to the Colorado Constitution, Article X, Section 20, which limits state and local government taxing powers and imposes spending limitations. In November, 1998, electors within the District authorized the District to collect, retain and/or expend all revenues lawfully received by the District from any source during fiscal year 1998-99 and each year thereafter without regard to the limitations and conditions under Article X, Section 20, of the Colorado Constitution or any other law.

The amendment is subject to many interpretations, but the District believes it is in substantial compliance with the amendment. In accordance with the amendment, the District has established an emergency reserve representing 3% of qualifying expenditures. At June 30, 2018, the reserve was reported as restricted fund balance in the General Fund, in the amount of \$382,000.

Note 11: Change in Accounting Principle

For the year ended June 30, 2018, the District adopted the standards of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, net position of the governmental activities at June 30, 2017, was restated to reflect the cumulative effect of adopting the standards.

Salida School District Number R-32-J
Notes to Financial Statements
June 30, 2018

Note 11: Change in Accounting Principle (Continued)

Certain balances of deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2017, were not available and have not been reported in the financial statements.

	Governmental Activities
Net Position, June 30, 2017, <i>as Originally Stated</i>	\$ 1,555,704
Deferred Outflows of Resources	43,304
Net OPEB Liability	(1,108,444)
Net Position, June 30, 2017, <i>as Restated</i>	\$ 490,564

Required Supplementary Information

Salida School District Number R-32-J
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability and Contributions
 Public Employees' Retirement Association of Colorado School Division Trust Fund
 June 30, 2018

	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.1504065926%	0.1504065926%	0.1554713240%	0.1560696455%	0.1600700181%
District's Proportionate Share of the Net Pension Liability	\$ 47,806,882	\$ 44,781,859	\$ 23,778,241	\$ 21,152,679	\$ 20,416,888
District's Covered Payroll	\$ 6,819,674	\$ 6,750,516	\$ 6,775,403	\$ 6,538,195	\$ 6,452,933
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	701%	663%	351%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44%	43%	59%	63%	64%
	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
District Contributions					
Statutorily Required Contribution	\$ 1,331,472	\$ 1,244,517	\$ 1,193,136	\$ 1,138,738	\$ 1,030,687
Contributions in Relation to the Statutorily Required Contribution	<u>(1,331,472)</u>	<u>(1,244,517)</u>	<u>(1,193,136)</u>	<u>(1,138,738)</u>	<u>(1,030,687)</u>
Contribution Deficiency (Excess)	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
District's Covered Payroll	\$ 7,048,875	\$ 6,769,979	\$ 6,727,654	\$ 6,741,745	\$ 6,448,488
Contributions as a Percentage of Covered Payroll	18.89%	18.38%	17.73%	16.89%	15.98%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Salida School District R-31-J
 Required Supplementary Information
 Schedule of Proportionate Share of the Net OPEB Liability and Contributions
 Public Employees' Retirement Association of Colorado Health Care Trust Fund
 June 30, 2018

	12/31/17
Proportionate Share of the Net OPEB Liability	
District's Proportion of the Net OPEB Liability	0.0840019896%
District's Proportionate Share of the Net OPEB Liability	\$ 1,091,690
District's Covered-Employee Payroll	\$ 6,819,674
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered-Employee Payroll	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18%
	6/30/18
District's Contributions	
Statutorily Required Contribution	\$ 71,899
Contributions in Relation to the Statutorily Required Contribution	(71,899)
Contribution Deficiency (Excess)	\$ -
District's Covered-Employee Payroll	\$ 7,048,875
Contributions as a Percentage of Covered-Employee Payroll	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Salida School District Number R-32-J
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources				
Property Taxes	\$ 4,779,900	\$ 4,984,758	\$ 5,009,145	\$ 24,387
Specific Ownership Taxes	795,000	795,000	952,252	157,252
Transportation Fees	-	-	32,387	32,387
Investment Income	14,865	44,515	52,257	7,742
BOCES Reimbursement	352,175	432,807	406,930	(25,877)
Other	121,865	121,865	118,490	(3,375)
Total Local Sources	<u>6,063,805</u>	<u>6,378,945</u>	<u>6,571,461</u>	<u>192,516</u>
County Sources	<u>56,500</u>	<u>56,500</u>	<u>201,733</u>	<u>145,233</u>
State Sources				
State Equalization	5,306,379	5,324,833	5,340,155	15,322
Transportation	103,913	96,081	27,106	(68,975)
Grants	238,230	227,062	243,328	16,266
Total State Sources	<u>5,648,522</u>	<u>5,647,976</u>	<u>5,610,589</u>	<u>(37,387)</u>
Federal Sources				
Medicaid	<u>116,724</u>	<u>96,878</u>	<u>148,223</u>	<u>51,345</u>
Total Revenues	<u>11,885,551</u>	<u>12,180,299</u>	<u>12,532,006</u>	<u>351,707</u>
Expenditures				
Instruction	6,319,929	6,579,824	6,599,294	(19,470)
Supporting Services				
Students	435,108	455,429	453,191	2,238
Instructional Staff	524,522	557,198	519,106	38,092
General Administration	547,588	563,990	485,813	78,177
School Administration	692,052	704,101	718,617	(14,516)
Business Services	315,979	319,453	328,692	(9,239)
Operations and Maintenance	1,124,877	1,180,927	1,126,690	54,237
Student Transportation	342,736	356,903	324,741	32,162
Central Support	350,685	559,252	358,066	201,186
Other Support	151,368	123,485	101,212	22,273
Reserves	<u>342,156</u>	<u>504,304</u>	<u>-</u>	<u>504,304</u>
Total Expenditures	<u>11,147,000</u>	<u>11,904,866</u>	<u>11,015,422</u>	<u>889,444</u>
Excess of Revenues Over (Under) Expenditures	<u>738,551</u>	<u>275,433</u>	<u>1,516,584</u>	<u>1,241,151</u>
Other Financing Sources (Uses)				
Loan Proceeds	278,500	278,500	23,533	(254,967)
Transfers Out	<u>(995,796)</u>	<u>(1,206,830)</u>	<u>(1,090,703)</u>	<u>116,127</u>
Total Other Financing Sources (Uses)	<u>(717,296)</u>	<u>(928,330)</u>	<u>(1,067,170)</u>	<u>(138,840)</u>
Net Change in Fund Balance	21,255	(652,897)	449,414	1,102,311
Fund Balance, Beginning of year	<u>3,893,181</u>	<u>4,287,278</u>	<u>4,287,278</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 3,914,436</u>	<u>\$ 3,634,381</u>	<u>\$ 4,736,692</u>	<u>\$ 1,102,311</u>

See the accompanying Independent Auditors' Report.

Salida School District Number R-32-J
Notes to Required Supplementary Information
June 30, 2018

Note 1: Schedule of Proportionate Share of The Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The District's contributions and related ratios represent cash contributions and any related accruals that coincide with the District's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended June 30, 2018, the total pension liability was determined by an actuarial valuation as of December 31, 2016. The following revised economic and demographic assumptions were effective as of December 31, 2016.

- Investment rate of return assumption decreased from 7.5% per year, compounded annually, net of investment expenses, to 7.25%.
- Price inflation assumption decreased from 2.8% per year to 2.4%.
- Real rate of investment return assumption increased from 4.7% per year, net of investment expenses, to 4.85%.
- Wage inflation assumption decreased from 3.9% per year to 3.5%.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables, updated from the RP-2000 Mortality Tables.

Note 2: Stewardship, Compliance and Accountability

Budgets

Budgets are adopted for all funds of the District, except the Agency Fund. Budgets are presented on a basis consistent with generally accepted accounting principles.

The District adheres to the following procedures to establish the budgetary information reflected in the financial statements:

- By May 31, management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budgets lapse at fiscal year end.

Salida School District Number R-32-J
Notes to Required Supplementary Information
June 30, 2018

Note 2: Stewardship, Compliance and Accountability (Continued)

Legal Compliance

For the year ended June 30, 2018, the Building Fund expenditures exceeded the amount budgeted by \$267,462. In addition, the Building Fund had a negative fund balance of \$34,188 at June 30, 2018. These may be violations of State statutes.

Supplementary Information

Salida School District Number R-32-J
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Head Start	Grants	Food Service	Capital Reserve	Total
Assets					
Cash and Investments	\$ 227,229	\$ -	\$ 151,307	\$ 861,272	\$ 1,239,808
Accounts Receivable	-	-	-	18	18
Grants Receivable	-	160,285	-	-	160,285
Inventories	-	-	6,830	-	6,830
Total Assets	<u>\$ 227,229</u>	<u>\$ 160,285</u>	<u>\$ 158,137</u>	<u>\$ 861,290</u>	<u>\$ 1,406,941</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ 54,455	\$ 54,455
Retainage Payable	-	-	-	6,051	6,051
Accrued Salaries and Benefits	-	27,261	26,591	-	53,852
Interfund Payables	-	85,164	-	-	85,164
Unearned Revenues	-	1,900	-	-	1,900
Total Liabilities	<u>-</u>	<u>114,325</u>	<u>26,591</u>	<u>60,506</u>	<u>201,422</u>
Fund Balances					
Nonspendable Inventories	-	-	6,830	-	6,830
Restricted for:					
Capital Renewal	-	-	-	412,613	412,613
Head Start	227,229	-	-	-	227,229
Assigned to:					
Grant Programs	-	45,960	-	-	45,960
Food Service	-	-	124,716	-	124,716
Capital Projects	-	-	-	388,171	388,171
Total Fund Balances	<u>227,229</u>	<u>45,960</u>	<u>131,546</u>	<u>800,784</u>	<u>1,205,519</u>
Total Liabilities and Fund Balances	<u>\$ 227,229</u>	<u>\$ 160,285</u>	<u>\$ 158,137</u>	<u>\$ 861,290</u>	<u>\$ 1,406,941</u>

Salida School District Number R-32-J
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2018

	Head Start	Grants	Food Service	Capital Reserve	Total
Revenues					
Local Sources	\$ 62,295	\$ 1,276	\$ 164,058	\$ 121,438	\$ 349,067
State Sources	-	154,540	6,140	-	160,680
Federal Sources	<u>1,076,148</u>	<u>177,513</u>	<u>219,411</u>	<u>-</u>	<u>1,473,072</u>
Total Revenues	<u>1,138,443</u>	<u>333,329</u>	<u>389,609</u>	<u>121,438</u>	<u>1,982,819</u>
Expenditures					
Current					
Instruction	434,201	204,817	-	-	639,018
Supporting Services	872,681	128,558	-	-	1,001,239
Food Service	-	-	485,200	-	485,200
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,533</u>	<u>325,533</u>
Total Expenditures	<u>1,306,882</u>	<u>333,375</u>	<u>485,200</u>	<u>325,533</u>	<u>2,450,990</u>
Excess of Revenues (Under) Expenditures	<u>(168,439)</u>	<u>(46)</u>	<u>(95,591)</u>	<u>(204,095)</u>	<u>(468,171)</u>
Other Financing Sources					
Transfers In	<u>160,710</u>	<u>-</u>	<u>190,000</u>	<u>619,993</u>	<u>970,703</u>
Net Change in Fund Balances	(7,729)	(46)	94,409	415,898	502,532
Fund Balance, Beginning of year	<u>234,958</u>	<u>46,006</u>	<u>37,137</u>	<u>384,886</u>	<u>702,987</u>
Fund Balance, End of year	<u>\$ 227,229</u>	<u>\$ 45,960</u>	<u>\$ 131,546</u>	<u>\$ 800,784</u>	<u>\$ 1,205,519</u>

Salida School District Number R-32-J
 Budgetary Comparison Schedule
 Head Start Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Tuition	\$ -	\$ -	\$ 30,500	\$ 30,500
Investment Income	60	60	31	(29)
Other	56,875	51,700	31,764	(19,936)
<i>Federal Sources</i>				
Grants	1,085,673	1,095,855	1,076,148	(19,707)
Total Revenues	<u>1,142,608</u>	<u>1,147,615</u>	<u>1,138,443</u>	<u>(9,172)</u>
Expenditures				
<i>Instruction</i>				
Salaries	247,310	265,323	272,850	(7,527)
Employee Benefits	78,300	82,852	86,596	(3,744)
Purchased Services	77,100	77,100	45,663	31,437
Supplies and Materials	28,000	28,000	29,092	(1,092)
Total Instruction	<u>430,710</u>	<u>453,275</u>	<u>434,201</u>	<u>19,074</u>
<i>Supporting Services</i>				
Salaries	383,777	414,747	420,718	(5,971)
Employee Benefits	112,187	119,868	132,421	(12,553)
Purchased Services	301,671	301,671	251,616	50,055
Supplies and Materials	63,500	63,500	66,881	(3,381)
Other	-	-	1,045	(1,045)
Total Supporting Services	<u>861,135</u>	<u>899,786</u>	<u>872,681</u>	<u>27,105</u>
<i>Reserves</i>	<u>255,275</u>	<u>225,949</u>	<u>-</u>	<u>225,949</u>
Total Expenditures	<u>1,547,120</u>	<u>1,579,010</u>	<u>1,306,882</u>	<u>272,128</u>
Excess of Revenues Over (Under) Expenditures	(404,512)	(431,395)	(168,439)	262,956
Other Financing Sources				
Transfers In	145,403	196,437	160,710	(35,727)
Net Change In Fund Balance	(259,109)	(234,958)	(7,729)	227,229
Fund Balance, Beginning of year	<u>264,284</u>	<u>234,958</u>	<u>234,958</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 5,175</u>	<u>\$ -</u>	<u>\$ 227,229</u>	<u>\$ 227,229</u>

Salida School District Number R-32-J
 Budgetary Comparison Schedule
 Grants Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Grants	\$ -	\$ -	\$ 1,276	\$ 1,276
State Grants	171,318	171,318	154,540	(16,778)
Federal Grants	212,954	212,954	177,513	(35,441)
Total Revenues	<u>384,272</u>	<u>384,272</u>	<u>333,329</u>	<u>(50,943)</u>
Expenditures				
<i>Instruction</i>				
Salaries	50,484	50,484	38,619	11,865
Employee Benefits	13,180	13,180	13,868	(688)
Purchased Services	27,444	27,444	-	27,444
Supplies and Materials	10,786	10,786	1,276	9,510
Other	124,919	151,054	151,054	-
Total Instruction	<u>226,813</u>	<u>252,948</u>	<u>204,817</u>	<u>48,131</u>
<i>Supporting Services</i>				
Salaries	71,000	71,000	72,604	(1,604)
Employee Benefits	20,943	20,943	25,705	(4,762)
Purchased Services	27,403	27,403	22,372	5,031
Supplies and Materials	3,640	3,640	5,072	(1,432)
Other	8,338	8,338	2,805	5,533
Total Supporting Services	<u>131,324</u>	<u>131,324</u>	<u>128,558</u>	<u>2,766</u>
<i>Reserves</i>				
	-	46,006	-	46,006
Total Expenditures	<u>358,137</u>	<u>430,278</u>	<u>333,375</u>	<u>96,903</u>
Net Change in Fund Balance	26,135	(46,006)	(46)	45,960
Fund Balance, Beginning of year	<u>29,065</u>	<u>46,006</u>	<u>46,006</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 55,200</u>	<u>\$ -</u>	<u>\$ 45,960</u>	<u>\$ 45,960</u>

Salida School District NumberR-32-J
 Budgetary Comparison Schedule
 Food Service Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Charges for Services	\$ 142,855	\$ 142,855	\$ 164,014	\$ 21,159
Investment Income	11	11	44	33
<i>State Sources</i>				
State Grants	6,941	6,941	6,140	(801)
<i>Federal Sources</i>				
School Breakfast and Lunch Program	216,041	216,041	219,411	3,370
Total Revenues	<u>365,848</u>	<u>365,848</u>	<u>389,609</u>	<u>23,761</u>
Expenditures				
<i>Current</i>				
Salaries	184,271	219,096	191,453	27,643
Employee Benefits	72,248	78,318	58,744	19,574
Purchased Services	12,940	12,940	13,500	(560)
Supplies and Materials	244,341	244,341	221,503	22,838
Reserves	33,209	38,290	-	38,290
Total Expenditures	<u>547,009</u>	<u>592,985</u>	<u>485,200</u>	<u>107,785</u>
Excess of Revenues Over (Under) Expenditures	(181,161)	(227,137)	(95,591)	131,546
Other Financing Sources				
Transfers In	150,000	190,000	190,000	-
Net Change in Fund Balance	(31,161)	(37,137)	94,409	131,546
Fund Balance, Beginning of year	<u>31,161</u>	<u>37,137</u>	<u>37,137</u>	<u>-</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,546</u>	<u>\$ 131,546</u>

Salida School District Number R-32-J
 Budgetary Comparison Schedule
 Bond Redemption Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Property Taxes	\$ 2,093,380	\$ 2,093,380	\$ 2,095,418	\$ 2,038
Investment Income	4,925	4,925	16,537	11,612
Total Revenues	<u>2,098,305</u>	<u>2,098,305</u>	<u>2,111,955</u>	<u>13,650</u>
Expenditures				
Debt Service				
Principal	1,254,100	1,254,100	1,254,100	-
Interest and Fiscal Charges	832,467	832,467	832,467	-
Reserves	<u>1,783,200</u>	<u>1,782,653</u>	<u>-</u>	<u>1,782,653</u>
Total Expenditures	<u>3,869,767</u>	<u>3,869,220</u>	<u>2,086,567</u>	<u>1,782,653</u>
Net Change in Fund Balance	(1,771,462)	(1,770,915)	25,388	1,796,303
Fund Balance, Beginning of year	<u>1,771,462</u>	<u>1,770,915</u>	<u>1,770,915</u>	<u>-</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,796,303</u>	<u>\$ 1,796,303</u>

Salida School District Number R-32-J

Budgetary Comparison Schedule

Building Fund

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance <i>Positive (Negative)</i>
Revenues				
<i>Local Sources</i>				
Investment Income	\$ 25	\$ 25	\$ 21	\$ (4)
<i>State Sources</i>				
State Grants	237,112	237,112	470,390	233,278
Total Revenues	237,137	237,137	470,411	233,274
Expenditures				
Capital Outlay	237,112	357,112	625,908	(268,796)
Reserves	4,636	1,334	-	1,334
Total Expenditures	241,748	358,446	625,908	(267,462)
Excess of Revenues Over (Under) Expenditures	(4,611)	(121,309)	(155,497)	(34,188)
Other Financing Sources (uses)				
Transfers In	-	120,000	120,000	-
Net Change in Fund Balance	(4,611)	(1,309)	(35,497)	(34,188)
Fund Balance, Beginning of year	4,611	1,309	1,309	-
Fund Balance, End of year	\$ -	\$ -	\$ (34,188)	\$ (34,188)

Salida School District Number R-32-J
 Budgetary Comparison Schedule
 Capital Reserve Fund
 Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Investment Income	\$ 1,440	\$ 1,440	\$ 1,927	\$ 487
Other	-	-	119,511	119,511
	<u>1,440</u>	<u>1,440</u>	<u>121,438</u>	<u>119,998</u>
Total Revenues				
Expenditures				
<i>Capital Outlay</i>				
Buildings and Improvements	270,500	285,500	243,510	41,990
Equipment	123,600	118,600	82,023	36,577
<i>Reserves</i>	691,014	602,219	-	602,219
	<u>1,085,114</u>	<u>1,006,319</u>	<u>325,533</u>	<u>680,786</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	(1,083,674)	(1,004,879)	(204,095)	800,784
Other Financing Sources				
Transfers In	620,393	619,993	619,993	-
	<u>620,393</u>	<u>619,993</u>	<u>619,993</u>	<u>-</u>
Net Change in Fund Balance	(463,281)	(384,886)	415,898	800,784
Fund Balance, Beginning of year	463,281	384,886	384,886	-
	<u>463,281</u>	<u>384,886</u>	<u>384,886</u>	<u>-</u>
Fund Balance, End of year	\$ -	\$ -	\$ 800,784	\$ 800,784
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,784</u>	<u>\$ 800,784</u>

Salida School District Number R-32-J
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2018

	Balances 6/30/17	Additions	Deductions	Balances 6/30/18
Pupil Activity Fund				
Assets				
Cash and Investments	\$ 281,145	\$ 760,998	\$ 747,012	\$ 295,131
Liabilities				
Held for Student Scholarships	\$ 57,321	\$ 711	\$ 1,000	\$ 57,032
Due to Student Groups	223,824	760,287	746,012	238,099
Total Liabilities	\$ 281,145	\$ 760,998	\$ 747,012	\$ 295,131

Compliance Section

Single Audit



**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Education
Salida School District Number R-32-J
Salida, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Salida School District Number R-32-J, and have issued our report thereon dated December 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Salida School District Number R-32-J's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Salida School District Number R-32-J's internal control. Accordingly, we do not express an opinion on the effectiveness of the Salida School District Number R-32-J's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Salida School District Number R-32-J's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the Salida School District Number R-32-J's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Salida School District Number R-32-J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Salida School District Number R-32-J's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Salida School District Number R-32-J's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Hick & Company, PC

Greenwood Village, Colorado
December 3, 2018





**Independent Auditors' Report on Compliance for Each
Major Federal Program, Internal Control Over Compliance,
and the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Board of Education
Salida School District Number R-32-J
Salida, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Salida School District Number R-32-J's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Salida School District Number R-32-J's major federal programs for the year ended June 30, 2018. The Salida School District Number R-32-J's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Salida School District Number R-32-J's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Salida School District Number R-32-J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Auditors' Responsibility (Continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Salida School District Number R-32-J's compliance.

Opinion on Each Major Federal Program

In our opinion, the Salida School District Number R-32-J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Salida School District Number R-32-J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Salida School District Number R-32-J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Salida School District Number R-32-J's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the Salida School District Number R-32-J's internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Salida School District Number R-32-J. We issued our report thereon dated December 3, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Salida School District Number R-32-J's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Greenwood Village, Colorado
December 3, 2018



Salida School District Number R-32-J
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Disbursements</u>
U.S. Department of Education			
Passed through Colorado Department of Education			
Title I	4010	84.010	\$ 151,009
Supporting Effective Instruction	4367	84.367	18,845
Title IV-A Student Support and Academic Enrichment	4424	84.424	<u>7,659</u>
Total U.S. Department of Education			<u>177,513</u>
U.S. Department of Agriculture			
<i>Child Nutrition Cluster:</i>			
Passed through Colorado Department of Human Services			
Donated Commodities		10.555	28,206
Passed through Colorado Department of Education			
School Breakfast Program	4553	10.553	33,479
National School Lunch Program	4555	10.555	<u>157,726</u>
Total Child Nutrition Cluster			<u>219,411</u>
Passed through Colorado Department of Public Health and Environment			
Child and Adult Care Food Program		10.558	<u>48,548</u>
Total U.S. Department of Agriculture			<u>267,959</u>
U.S. Department of Health and Human Services			
Direct Program			
Head Start		93.600	<u>1,027,600</u>
Total U.S. Department of Health and Human Services			<u>1,027,600</u>
Total Federal Financial Assistance			<u>\$ 1,473,072</u>

Salida School District Number R-32-J
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2018

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP):
 Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted?

- Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

- Yes No

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Cluster/Program</u>
93.600	Head Start

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

- Yes No

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Awards Findings and Questioned Costs

No current year findings or questioned costs were reported.

Salida School District Number R-32-J
Notes to Schedule of Expenditures of Federal Awards
June 30, 2018

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The District does not charge a de minimis indirect cost rate.

State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 0500 - SALIDA R-32
 Fiscal Year 2017-18
 Colorado School District/8OCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	4,235,786	11,264,558	10,820,501	4,679,843
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	51,493	200,279	194,922	56,851
Sub- Total	4,287,279	11,464,837	11,015,422	4,736,694
11 Charter School Fund	0	0	0	0
20.26-29 Special Revenue Fund	234,958	1,299,153	1,306,882	227,229
06 Supplemental Cap Const. Tech. Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	37,137	579,608	485,200	131,545
22 Govt Designated-Purpose Grants Fund	46,008	333,329	333,377	45,960
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,770,915	2,111,956	2,086,567	1,796,304
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	1,310	590,411	625,908	-34,187
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	384,887	741,430	325,533	800,784
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
Totals	6,762,493	17,120,724	16,178,889	7,704,329
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	57,321	711	1,000	57,032
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	223,824	760,287	746,012	238,099
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	281,145	760,998	747,012	295,132

FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.